

355.7-503 Document of title to goods defeated in certain cases.

- (1) A document of title confers no right in goods against a person that before issuance of the document had a legal interest or a perfected security interest in the goods and that did not:
 - (a) Deliver or entrust the goods or any document covering the goods to the bailor or the bailor's nominee with actual or apparent authority to ship, store, or sell; with power to obtain delivery under KRS 355.7-403; or with power of disposition under KRS 355.2-403, 355.2A-304(2), 355.2A-305(2), or 355.9-320 or other statute or rule of law; or
 - (b) Acquiesce in the procurement by the bailor or its nominee of any document.
- (2) Title to goods based upon an unaccepted delivery order is subject to the rights of any person to which a negotiable warehouse receipt or bill of lading covering the goods has been duly negotiated. That title may be defeated under KRS 355.7-504 to the same extent as the rights of the issuer or a transferee from the issuer.
- (3) Title to goods based upon a bill of lading issued to a freight forwarder is subject to the rights of any person to which a bill issued by the freight forwarder is duly negotiated. However, delivery by the carrier in accordance with Part 4 of this article pursuant to its own bill of lading discharges the carrier's obligation to deliver.

Effective: July 12, 2012

History: Repealed and reenacted 2012 Ky. Acts ch. 132, sec. 32, effective July 12, 2012. -- Amended 2000 Ky. Acts ch. 408, sec. 168, effective July 1, 2001. -- Created 1958 Ky. Acts ch. 77, sec. 7-503, effective July 1, 1960.